



USAID EUROPE AND EURASIA: AN OVERVIEW



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E&E Presentation Outline

- Who we are
- How we are organized
- How we do business
- What we do
- Way ahead



Background

- Eastern Europe (1989); Eurasia (1992)
- Legislative Authorities
 - Support for East European Democracy (SEED) Act
 - FREEDOM Support Act (FSA)
- Created to respond to unique circumstances
 - Fall of Iron Curtain; Collapse of Soviet Union
- Aimed at fostering emergence of stable, democratic states with market economies
- Total SEED & FSA Appropriations 1989 – 2008: \$19.3 billion



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E&E: Vision & Mission

Vision

A democratic, prosperous, and peaceful Europe and Eurasia.

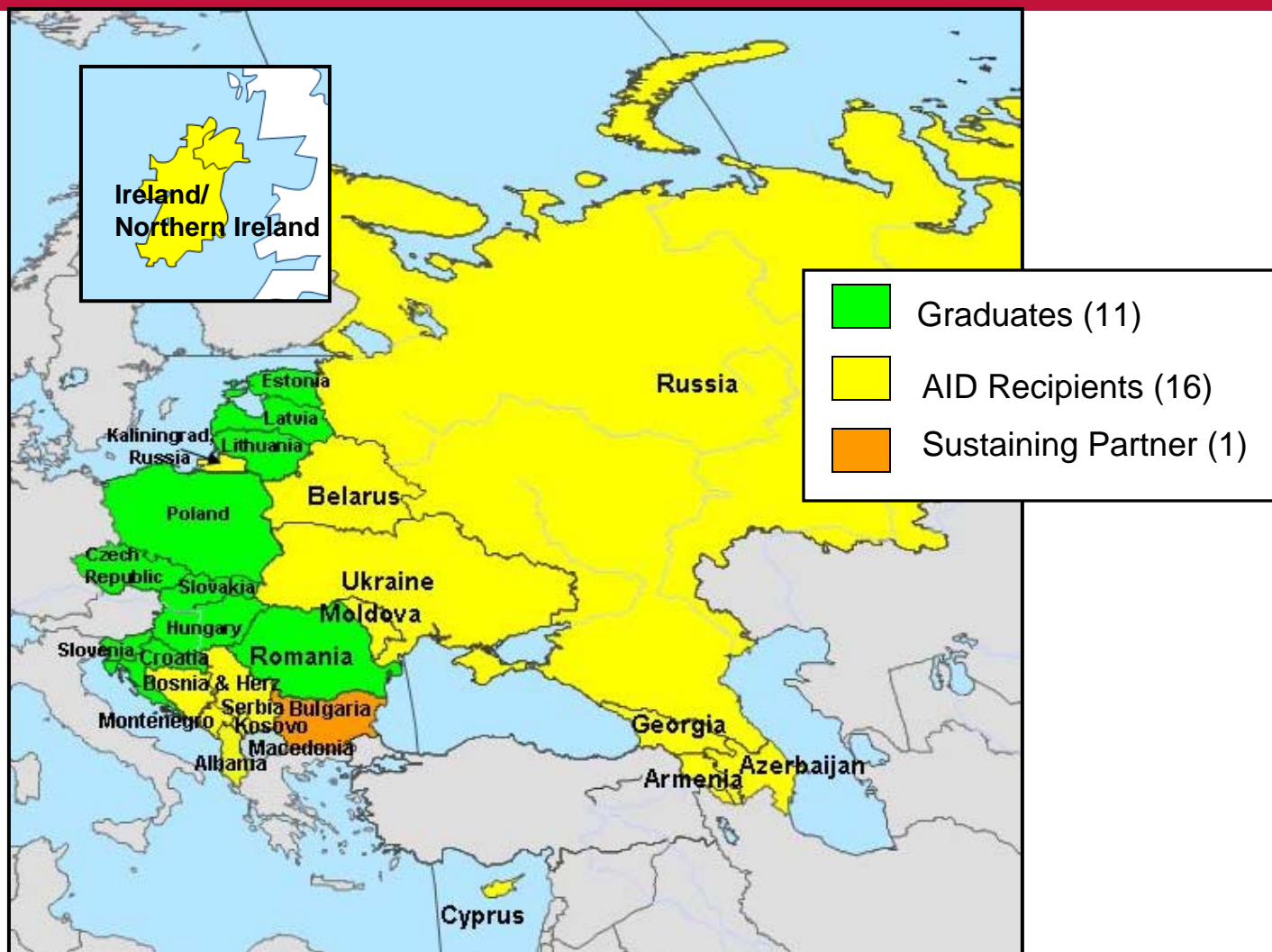
Mission Statement

To achieve the transformation of E&E countries into sustaining partners by supporting broad based human progress, economic growth, and democratic development.



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E&E Overview



Graduation Dates: Estonia (1996); Czech Republic, Slovenia (1997); Hungary, Latvia (1999); Lithuania, Poland, Slovak Republic (2000); Bulgaria, Croatia, Romania (2008)



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E&E Strategic Priorities

1. Maintain strategic engagement with Russia
2. Rebuild Georgia
3. Brace the transitions of Europe's neighbors,
consolidating democratic and economic reforms
4. Promote stability in the Balkans



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E&E: What Makes Us Different

- FSA/SEED
- Public Private Partnerships and Legacy Institutions
- EUR/ACE's Direction and Coordination
- Monitoring Country Progress



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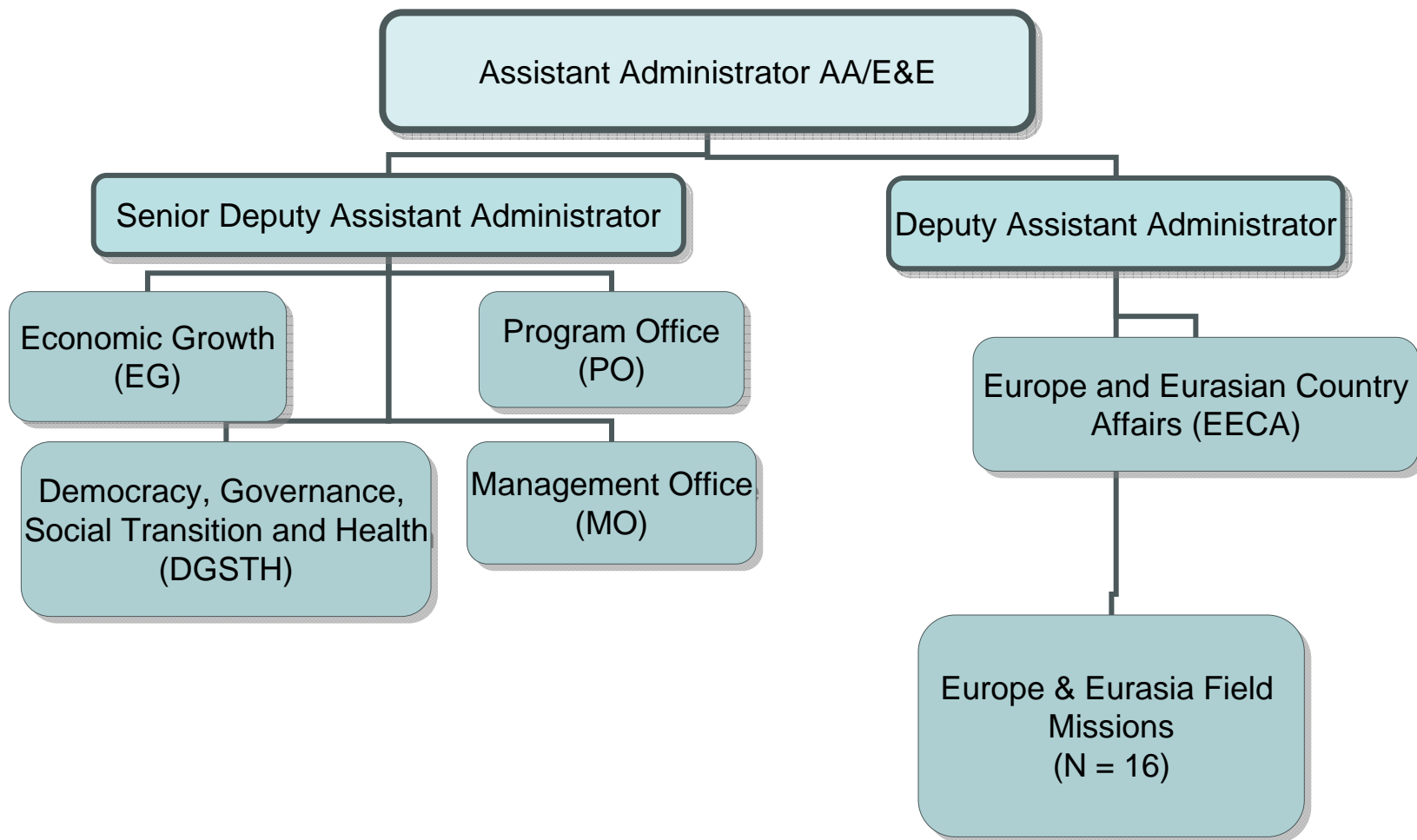
Europe and Eurasia





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E&E: How We are Organized





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E&E: How We Are Organized

Assistance Coordinator for Europe and Eurasia (EUR/ACE) Responsibilities (as mandated)*

- Design overall assistance strategy
- Coordinate programs and policy
- Coordinate with other donors and international organizations
- Ensure proper management and oversight
- Resolve policy and program disputes

*Sec. 601, Public Law 101-179, 22 U.S.C. 5461. (See also sec. 102, FREEDOM Support Act, Public Law 102-511, 22 U.S.C. 5812, White House Memorandum on Charter for Coordinator of U.S. Assistance to Europe and Eurasia.)



Resources & Capabilities

Total Staff: 870 (771 field-based; 99 Washington-based)

- **180 Career Officers**
(U.S. Direct Hires = Foreign Service + Government Service)
- **600 Host Country Nationals**
- **90 Technical Experts**
(Personal Service Contractors = U.S. + Third Country Nationals)



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E&E: How We do Business

USAID implementing partners

- Approx. 2,000 awards with implementing NGOs, companies, and other mechanisms that include thousands of professional technical experts

Relationships with host government, private sector, donors

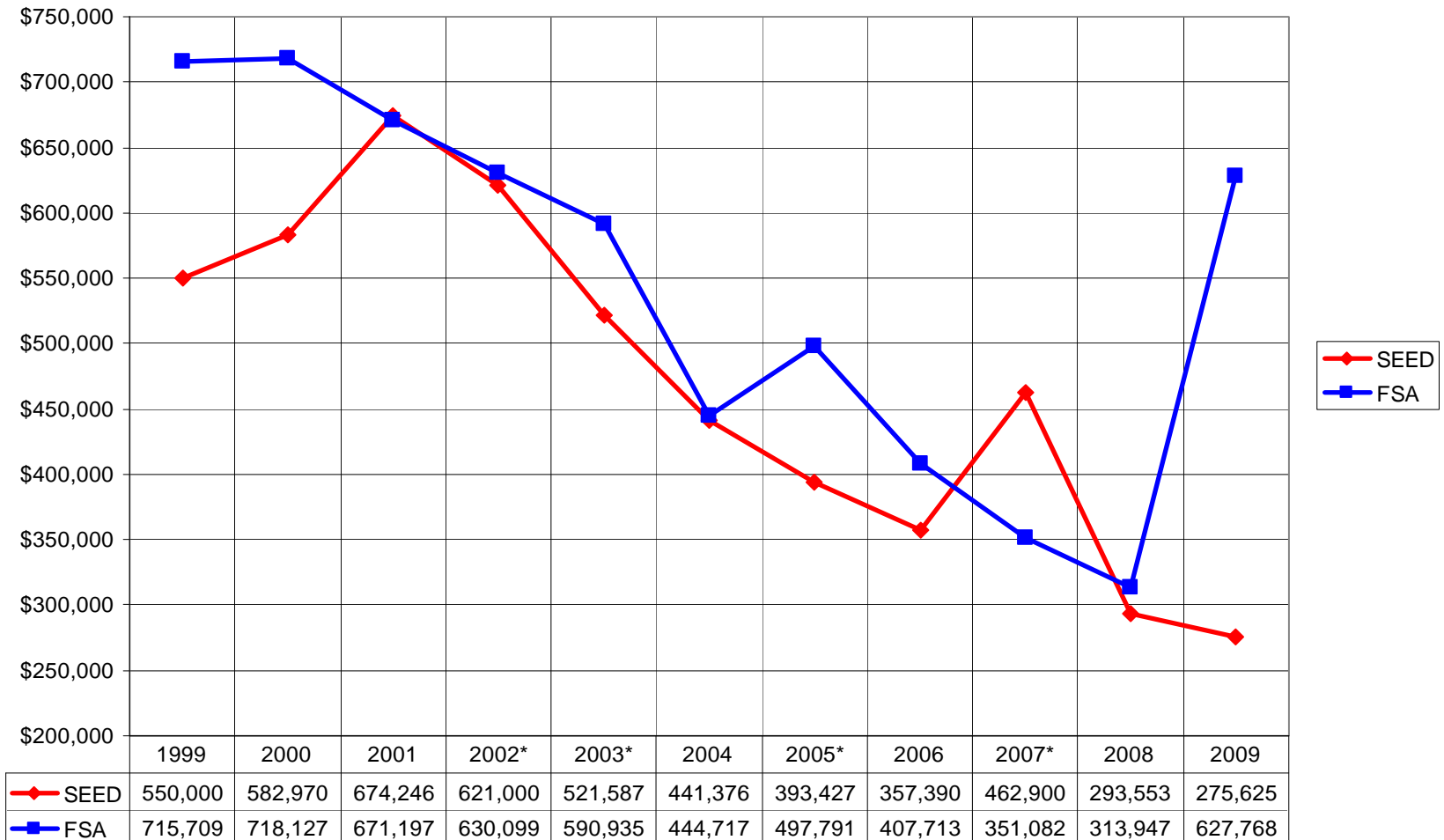
- Leverage public-private alliances
- Host government contributions
- Legacy institutions to continue promoting reform post-traditional assistance



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E&E: Resources

FSA & SEED FUNDING FOR THE EUR COUNTRIES, FY 1999-2009 (\$000s)



*USAID managed funds

E&E: Accounts Managed & Other (FY08 \$000s)

Freedom Support Act (FSA)*	\$254,445
Support for Eastern European Democracy (SEED)	\$171,950
Millennium Challenge Account (MCA)	\$ 15,731
Economic Support Funds (ESF)	\$ 26,000
President's Emergency Plan for AIDS Relief (PEPFAR/GHAI)	\$ 1,780
Child Survival and Health (CSH)	\$ 11,960
Performance Funds** (SEED & FSA)	\$ 53,662
Inter-Agency Transfers*** (SEED & FSA)	\$ 177,858
TOTAL:	\$713,386

*\$30,000 of FSA funds are 1207 funds managed by DCHA

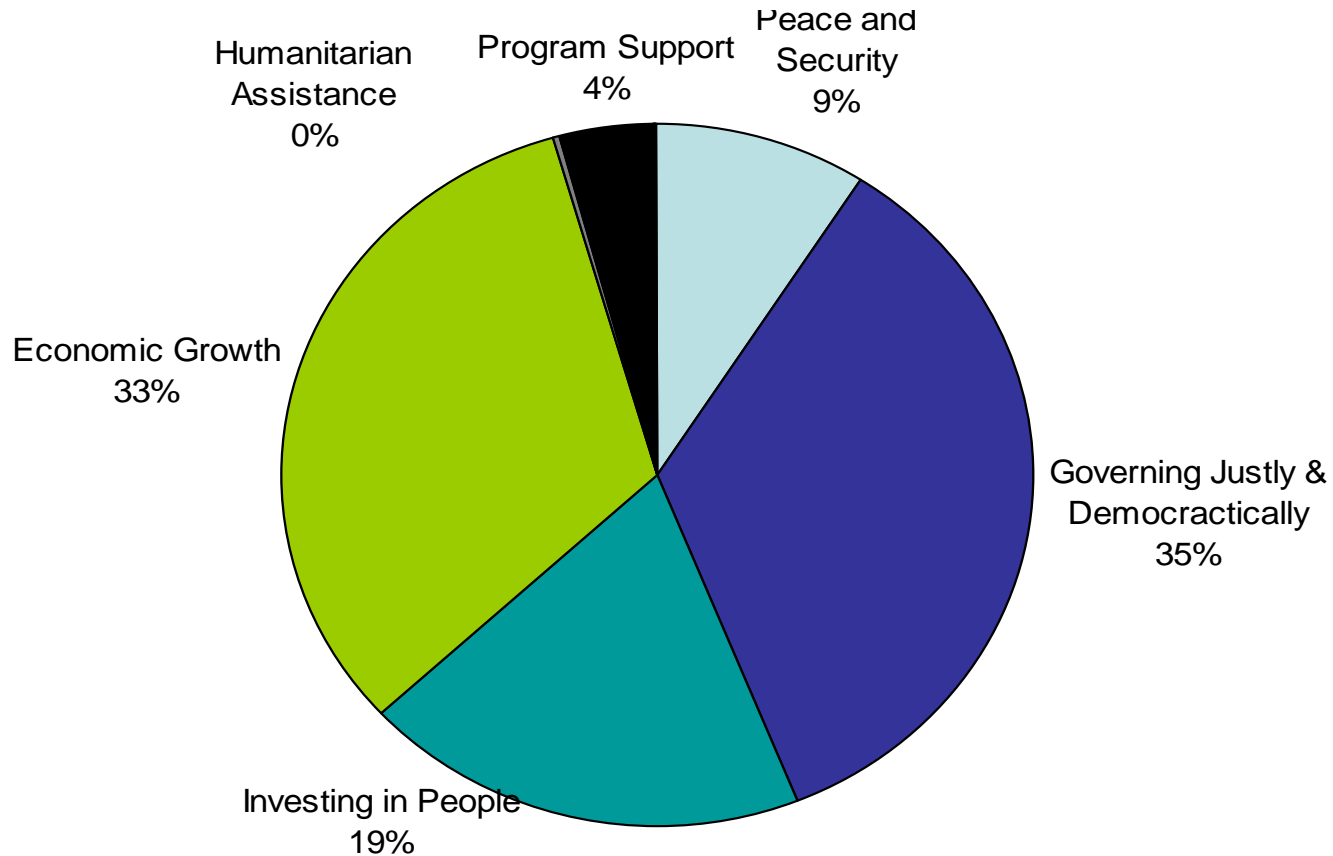
**Performance Funds are allocated by EUR/ACE during the year to various USG agencies, including USAID

***Funds USAID transfers to other USG agencies



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E&E: What We Do

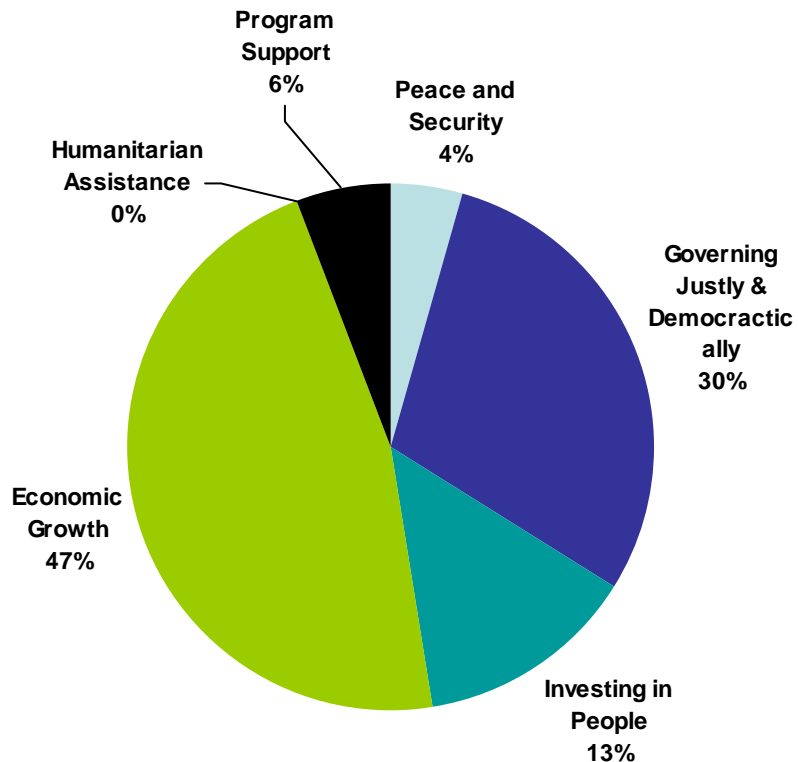


**Europe & Eurasia Combined
FY08
(SEED & FSA)**

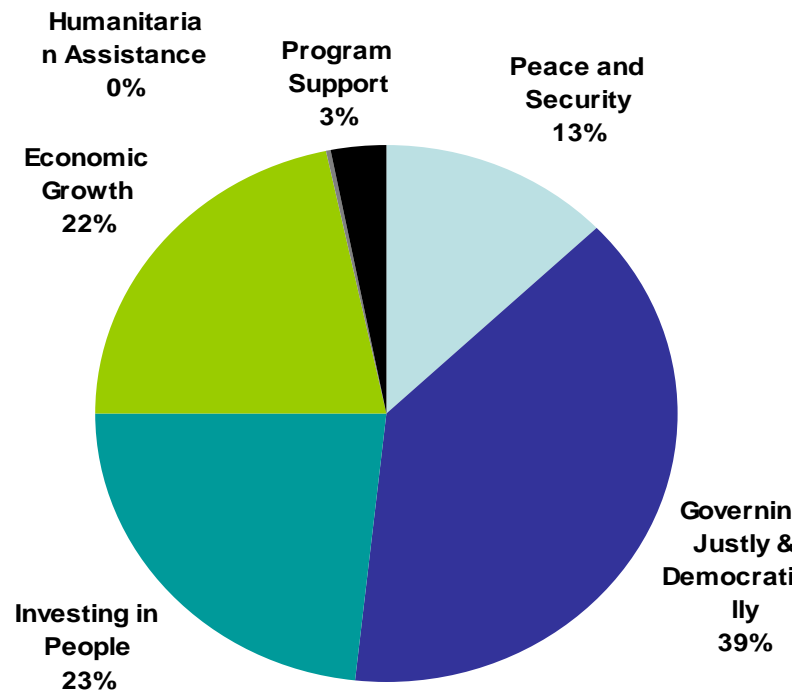


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E&E: What We Do



**Europe
FY08
(SEED)**



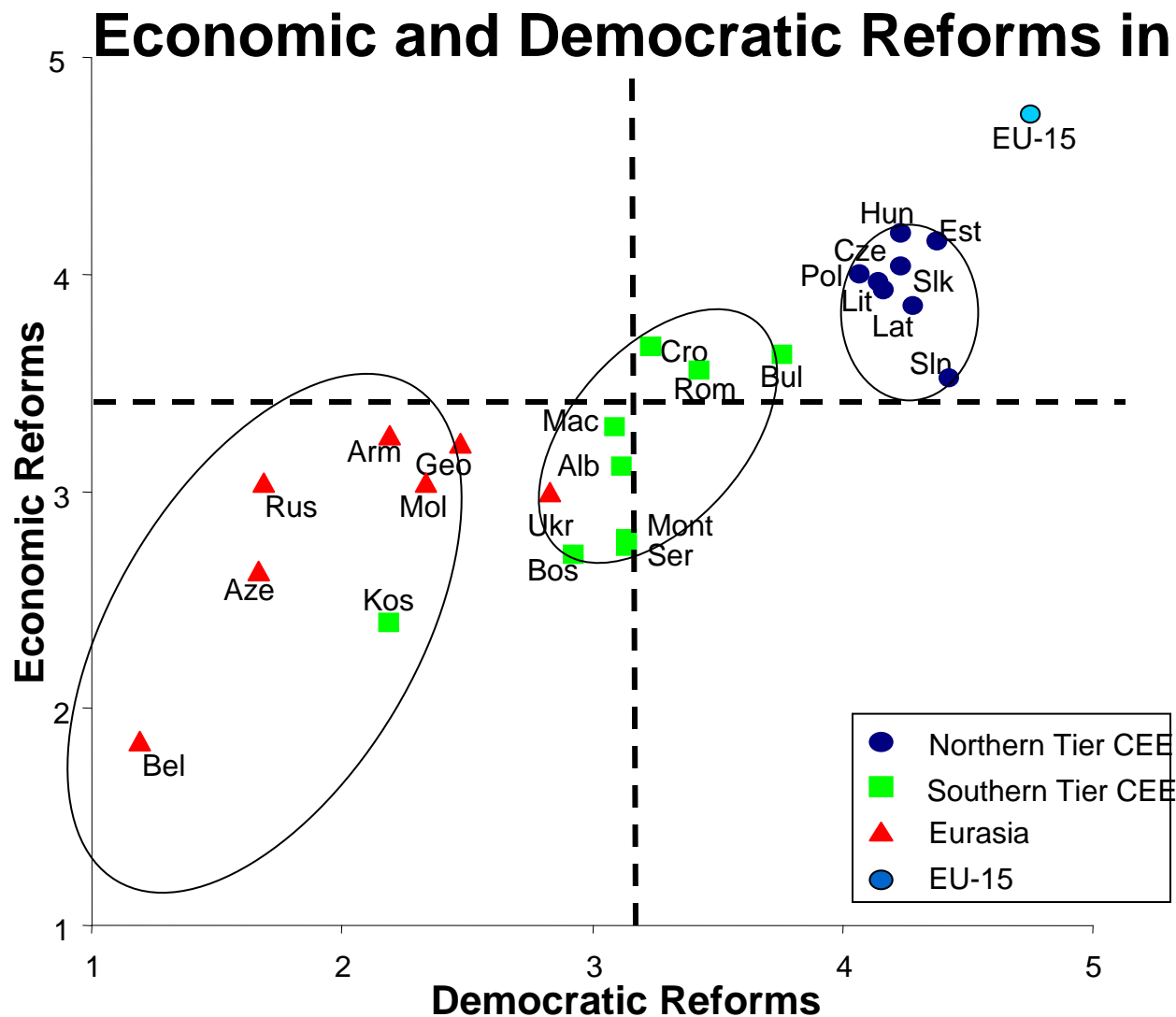
**Eurasia
FY08
(FSA)**



- 17 countries joined WTO
- 11 graduates – 10 full EU members and moving from aid recipients to donors
- 10 Enterprise Funds generated \$2.3 billion in investments into local businesses and \$4.8 billion in new capital and loans
- 73 private sector alliances leveraged \$239 million from partners
- Civil society has blossomed from virtually nothing to become a significant force
- Models of effective and efficient health & social systems have been adapted

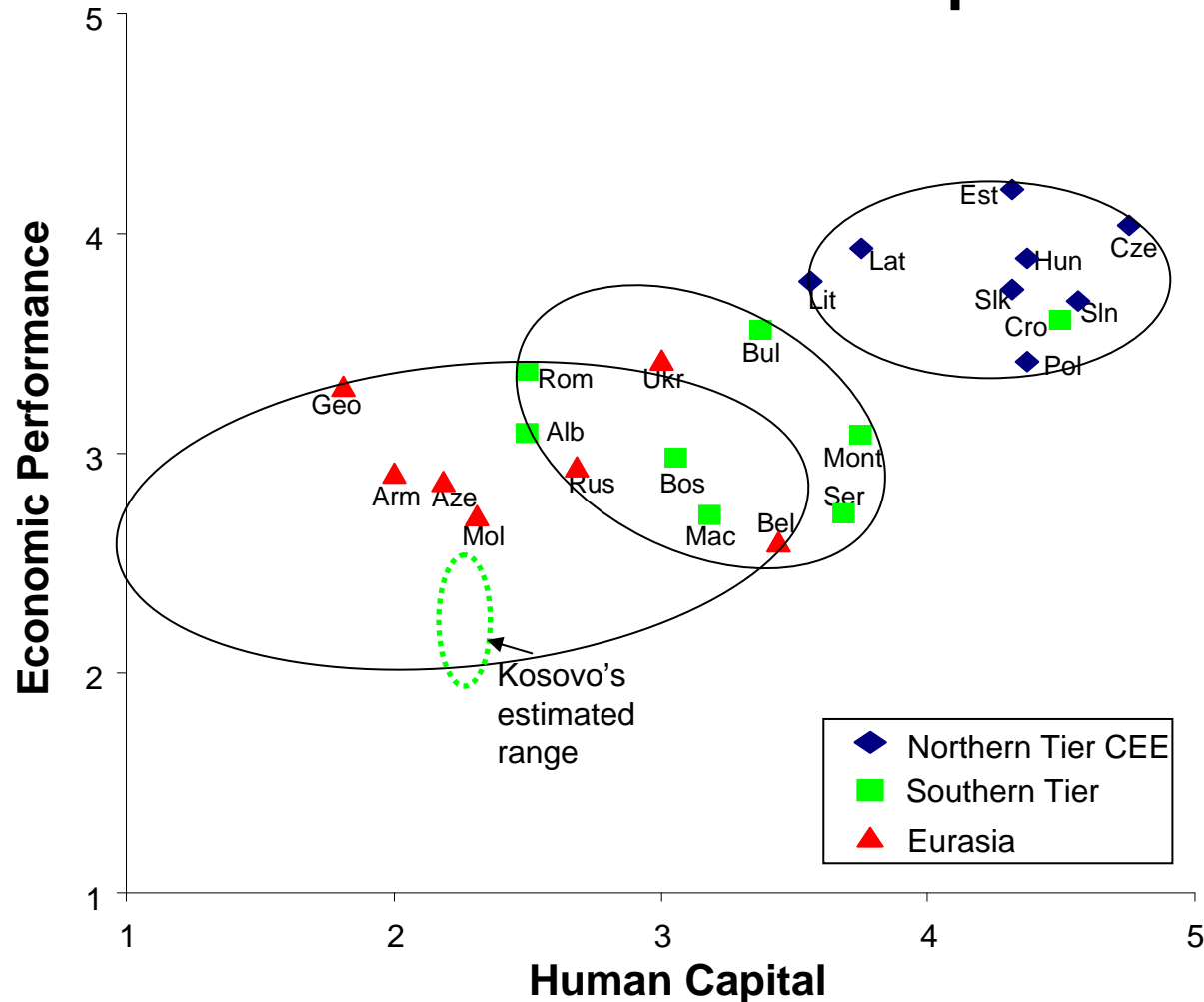


Monitoring Country Progress





Economic Performance and Human Capital in 2005-2007

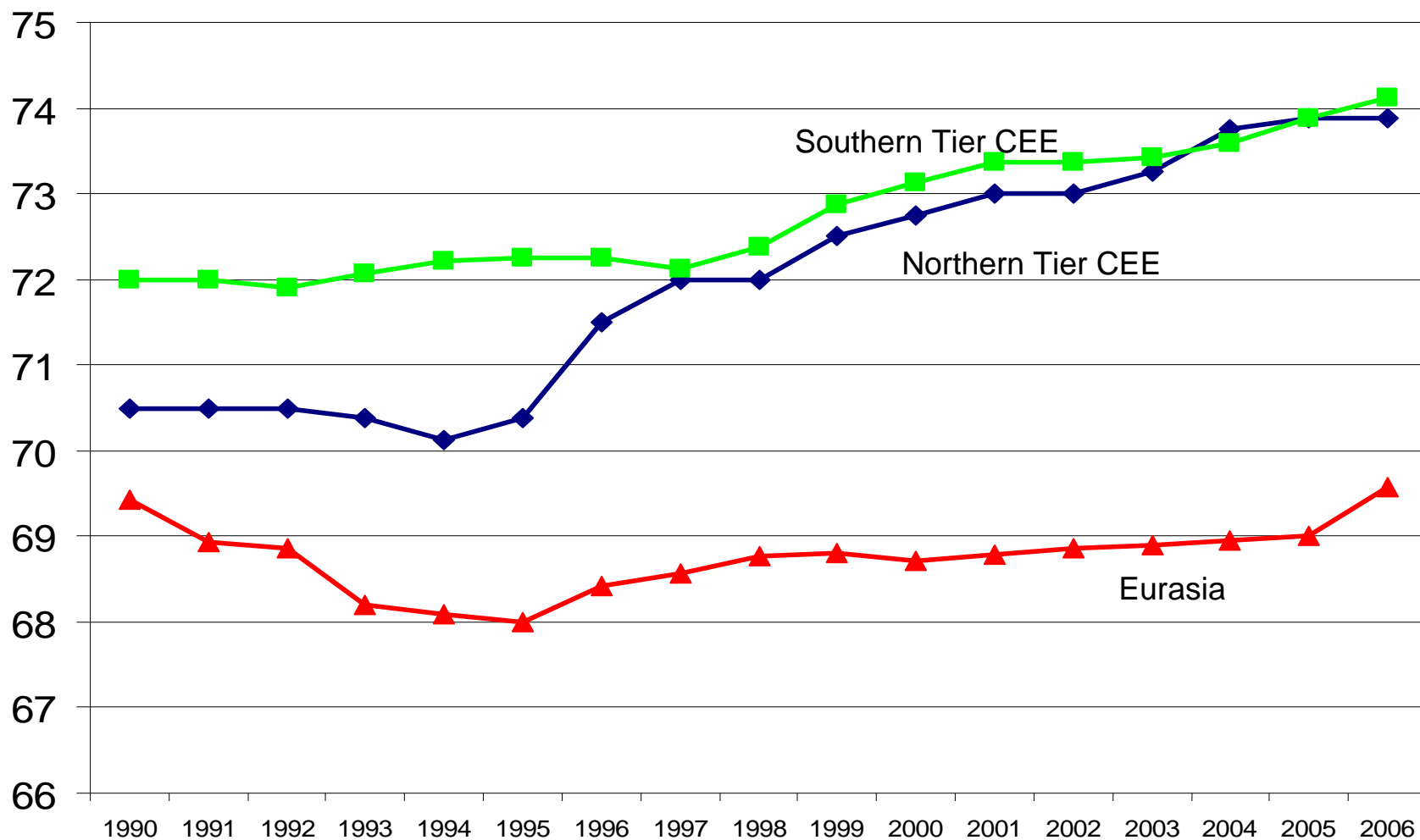




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Monitoring Country Progress

Life Expectancy at Birth





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Conclusion: E&E: 2008 and Beyond

Stay Focused and On Track

- Advance strategic engagement with Russia
- Promote stability in the Balkans
- Encourage consistent progress among partial reformers in Russia's neighborhood
- Consolidate democratic and economic reforms where there is momentum
- Pursue potential openings among the most recalcitrant

**Economic and Democratic Reforms
in Central and Eastern Europe & Eurasia: 2007-2008**

<u>ECONOMIC REFORMS</u>			<u>DEMOCRATIC REFORMS</u>		
	RATING (1 to 5)	RANKING		RATING (1 to 5)	RANKING
HUNGARY	4.2	1	SLOVENIA	4.4	1
ESTONIA	4.2	1	ESTONIA	4.4	1
CZECH REPUBLIC	4.0	3	LATVIA	4.3	3
POLAND	4.0	3	CZECH REPUBLIC	4.2	4
SLOVAK REPUBLIC	4.0	3	HUNGARY	4.2	4
LITHUANIA	3.9	6	LITHUANIA	4.2	4
LATVIA	3.9	6	SLOVAKIA	4.1	7
BULGARIA	3.7	8	POLAND	4.1	7
CROATIA	3.7	8	BULGARIA	3.8	9
ROMANIA	3.6	10	ROMANIA	3.4	10
SLOVENIA	3.6	10	CROATIA	3.2	11
ARMENIA	3.3	12	MONTENEGRO	3.1	12
MACEDONIA	3.3	12	SERBIA	3.1	12
GEORGIA	3.2	14	ALBANIA	3.1	12
UKRAINE	3.2	14	MACEDONIA	3.1	12
ALBANIA	3.2	14	BOSNIA AND HERZEGOVINA	2.9	16
MOLDOVA	3.1	17	UKRAINE	2.8	17
KYRGYZ REPUBLIC	3.1	17	GEORGIA	2.5	18
RUSSIAN FEDERATION	3.0	19	MOLDOVA	2.3	19
KAZAKHSTAN	3.0	19	ARMENIA	2.2	20
SERBIA	2.9	21	KOSOVO	2.2	20
MONTENEGRO	2.8	22	KYRGYZ REPUBLIC	1.7	22
BOSNIA AND HERZEGOVINA	2.8	22	RUSSIA	1.7	22
AZERBAIJAN	2.6	24	AZERBAIJAN	1.7	22
KOSOVO	2.4	25	TAJIKISTAN	1.6	25
TAJIKISTAN	2.4	25	KAZAKHSTAN	1.4	26
UZBEKISTAN	2.2	27	BELARUS	1.2	27
BELARUS	1.9	28	UZBEKISTAN	1.1	28
TURKMENISTAN	1.4	29	TURKMENISTAN	1.0	29
Rating (1 to 5)			Rating (1 to 5)		
Northern Tier CEE	4.0		Northern Tier CEE	4.2	
Southern Tier CEE	3.1		Southern Tier CEE	3.1	
Eurasia	2.7		Eurasia	1.8	
Romania & Bulgaria in 2002	3.3		Romania & Bulgaria in 2002	3.4	
Rom, Bul, Cro in 2006	3.4		Rom, Bul, Cro in 2006	3.5	

USAID calculations drawing from EBRD, *Transition Report 2008* (November 2008) and Freedom House, *Nations in Transit* (June 2008).

**Economic Performance and Human Capital
in Central and Eastern Europe & Eurasia: 2006-2008**

	<u>ECONOMIC PERFORMANCE</u>			<u>HUMAN CAPITAL</u>	
	<u>RATING</u> <u>(1 to 5)</u>	<u>RANKING</u>		<u>RATING</u> <u>(1 to 5)</u>	<u>RANKING</u>
ESTONIA	4.1	1	CZECH REPUBLIC	4.8	1
CZECH REPUBLIC	4.1	1	CROATIA	4.6	2
LATVIA	4.0	3	SLOVENIA	4.6	2
HUNGARY	3.9	4	POLAND	4.4	4
LITHUANIA	3.9	4	HUNGARY	4.3	5
SLOVAKIA	3.9	4	SLOVAKIA	4.3	5
SLOVENIA	3.7	7	ESTONIA	4.3	5
CROATIA	3.7	7	MONTENEGRO	3.9	8
BULGARIA	3.7	7	SERBIA	3.9	8
POLAND	3.7	7	LATVIA	3.8	10
ROMANIA	3.5	11	BELARUS	3.6	11
UKRAINE	3.2	12	LITHUANIA	3.6	11
GEORGIA	3.3	13	BULGARIA	3.4	13
KAZAKHSTAN	3.3	13	BOSNIA & HERZEGOVINA	3.3	14
ARMENIA	3.3	13	MACEDONIA	3.0	15
MONTENEGRO	3.3	13	UKRAINE	3.1	16
ALBANIA	3.0	17	RUSSIA	2.9	17
RUSSIA	3.0	17	ALBANIA	2.8	18
BOSNIA & HERZ.	3.0	17	ROMANIA	2.8	18
TAJIKISTAN	2.9	20	KOSOVO	2.1	20
AZERBAIJAN	2.9	20	MOLDOVA	2.4	21
MOLDOVA	2.8	22	GEORGIA	2.4	21
UZBEKISTAN	2.9	23	AZERBAIJAN	2.2	23
SERBIA	2.9	23	ARMENIA	2.2	23
MACEDONIA	2.9	23	KYRGYZ REPUBLIC	2.0	25
TURKMENISTAN	2.8	26	UZBEKISTAN	1.9	26
BELARUS	2.6	27	KAZAKHSTAN	1.8	27
KYRGYZ REPUBLIC	2.6	27	TAJIKISTAN	1.8	27
KOSOVO	---		TURKMENISTAN	1.8	27
Rating (1 to 5)			Rating (1 to 5)		
Northern Tier CEE	3.9		Northern Tier CEE	4.3	
Southern Tier CEE	3.2		Southern Tier CEE	3.4	
Eurasia	2.9		Eurasia	2.2	
Rom, Bul, Cro in 2006	3.5		Rom, Bul, Cro in 2006	3.5	

Ratings are based on a scale from 1 to 5, with 5 representing the best score. World Bank, *World Development Indicators 2008* (April 2008); EBRD, *Transition Report 2008* (November 2008), UNECE, *Statistical Division Database* (2008); Fund for Peace, *Failed States Index* (2008); IFC & World Bank, *MSME Database* (2007); UNICEF, *TransMONEE Database* (August 2008); World Health Organization European Health For All Database (2008); Murphy, Petric and Sprout, *Education in Eastern Europe & Eurasia*, USAID/E&E Working Paper #2 (October 2005) and IEA, *PIRLS 2008 International Report* (2008).

Life Expectancy at Birth (years)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Slovenia	73	73	73	73	73	73	73	74	75	75	75	76	76	76	76	78	78	78
Albania	---	72	72	72	72	73	73	73	73	74	74	75	76	76	76	76	76	76
Croatia	72	72	72	71	71	72	72	72	72	72	73	73	75	75	75	75	75	76
Czech Republic	72	71	72	72	73	73	73	74	74	74	75	75	75	75	75	76	76	76
Bosnia and Herzegovina	---	72	72	72	72	73	73	73	73	73	74	74	74	74	74	74	74	75
Poland	71	71	71	71	72	72	72	72	73	73	73	74	74	74	75	74	75	75
Macedonia	---	71	72	72	72	72	72	73	73	73	73	73	73	73	73	74	74	74
Montenegro	---	75	76	76	76	76	76	76	75	75	75	75	75	74	74	74	74	74
Slovak Republic	71	71	71	72	72	72	72	73	73	73	73	73	74	74	74	74	74	74
Bulgaria	72	72	72	71	71	71	71	71	70	71	71	72	72	72	72	72	73	73
Estonia	70	69	69	69	68	67	68	70	70	70	71	71	71	71	71	72	73	73
Hungary	69	69	69	69	69	69	70	70	71	71	71	71	72	72	72	73	73	73
Serbia	---	---	71	71	72	72	72	72	72	72	72	72	72	72	72	73	73	73
Armenia	---	68	69	69	69	70	70	70	70	70	71	71	71	71	71	71	71	72
Azerbaijan	70	71	70	70	69	69	69	70	71	71	72	72	72	72	72	72	72	72
Romania	70	70	70	70	70	70	69	69	69	69	71	71	71	71	71	71	72	72
Georgia	---	70	70	70	70	70	70	70	70	70	70	70	70	70	70	71	71	71
Latvia	70	69	69	68	67	66	66	69	69	69	70	70	70	70	71	71	71	71
Lithuania	71	71	70	70	69	69	69	70	71	71	72	72	72	72	72	72	71	71
Belarus	72	71	70	70	69	69	68	69	68	68	68	68	68	68	68	68	68	69
Moldova	---	67	67	67	67	67	67	67	67	67	67	67	68	68	68	68	68	69
Kyrgyzstan	68	68	69	68	67	66	66	67	67	67	67	69	69	68	68	68	68	68
Ukraine	71	70	69	69	68	68	67	67	67	68	68	68	68	68	68	68	68	68
Tajikistan	---	63	63	63	63	64	64	64	64	64	65	65	66	66	66	66	66	67
Uzbekistan	69	69	69	69	69	69	69	69	69	69	68	68	68	67	67	67	67	67
Kazakhstan	68	68	68	68	67	66	65	64	64	65	66	66	66	66	66	66	66	66
Russia	69	69	68	67	65	64	65	66	67	67	66	65	65	65	65	65	65	66
Turkmenistan	---	63	63	63	63	63	63	63	63	63	63	63	63	62	62	63	63	63
	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Northern Tier CEE	71	71	71	71	70	70	70	72	72	72	73	73	73	73	73	74	74	74
Southern Tier CEE	71	72	72	72	72	72	72	72	72	72	73	73	73	73	73	74	74	74
Eurasia	70	68	68	68	67	67	67	67	67	67	68	68	68	68	68	68	68	68

World Bank, *World Development Indicators 2008* (April 2008). Missing data are interpolated.